

CORRESPONDENCE.

We do not hold ourselves responsible for the opinions made, or opinions expressed, by our correspondents.

Trusts.

Mr. Editor:—The Political Science Quarterly is a periodical conducted by the faculty of Columbia College, N. Y. On the 385th page George Gunton contributes an able article on the "Economic and Social Aspects of Trusts," and on the 593d page Prof. Theodore W. Dwight, at the head of Columbia Law School, commences one on "The Legality of Trusts." These articles are very able. I should be glad to see them before every reader, but their length forbids many extracts. Mr. Gunton says: "Our foremost journalists, essayists, orators, and publicists, make in warning us against the evil consequences to be expected from the organization of trusts, syndicates and the like. In fact the atmosphere seems to be surcharged with an indefinite but almost an inexpressible fear of trusts. To be hostile to trusts almost seems a passport to righteousness. What can have produced such universal apprehension, such fear of oppression in the success of trusts? Trusts are designed to cheapen production by a combination of capital in one hand; to enable the operator to produce the largest amount with the least means, for the least expense, to cheapen the necessities and luxuries of life to the consumer. Few persons are able to do this without combination, and a successful trust, bringing wealth to the trustee, will bring a blessing to the community, and the cheapening of prices shuts up smaller establishments, for it costs them more to produce than it does the larger ones." Mr. Gunton demonstrates in numerous instances the good effects of combinations. In cotton manufacture, there were:

| | In 1880. | In 1888. |
|-------------------------------------|---------------|----------------|
| Establishments | 801 | 750 |
| Capital invested | \$40,612,984 | \$208,280,348 |
| Wages of cloth produced | 39,314,926 | 907,264,241 |
| Number persons employed | 62,208 | 172,644 |
| Number of spindles employed | 1,246,703 | 10,653,425 |
| Amount capital per mill | \$50,702 | \$275,504 |
| Ratio of pounds produced to capital | 1.4 to \$1 | 2.4 to \$1 |
| Ratio of capital to persons | \$652.85 to 1 | \$1207.17 to 1 |
| Ratio spindles to persons | 22 to 1 | 62 to 1 |
| Ratio capital to spindles | \$32.58 to 1 | \$19.55 to 1 |
| Ratio pounds produced to spindles | 47.6 to 1 | 57.0 to 1 |
| Annual cost of wages per capita | \$5.99 | 13.91 |
| Wages per year | 17 cents | 7 cents |
| Wages per week | \$2.55 | \$5.40 |

The writer says: "These are women's wages, as there were no men employed as operatives in 1880 to warrant a fair comparison, but in the extent they were so employed their wages have risen in a similar ratio to those of women."

It will be seen by the above that by the addition of capital, the introduction of improvements, etc., the 750 establishments of 1880 cost more than five times as much as the 801 of 1880; that they produced ten times as much cloth, employed nearly three times as many persons, at more than twice as high wages, and that while the use of combined capital had undoubtedly enriched some it had diminished the cost of production to the consumers, at the same time doubling their wages and increasing their ability to buy.

There are economic advantages in these institutions which cannot be found in smaller ones, nor would be found but for the combination. Thus it seems that the distinctive advantages of an aggregation of capital, in cheapening of prices, in increasing of wages, and general prosperity, is as marked before the systematic formation of trusts as since.

The writer quotes the almost incredible cheapening of oil to the consumers through the whole life of the Standard Oil Trust and it was formed in 1872. No sooner does one corporation or member discover an advantageous improvement than it is applied for the good of all, instead of guarding the secret from others so that they only can profit by it. Thus, freight formerly was \$1.50 per barrel to New York, now only 50 cents. The cans, formerly \$1.25 each, now 47 per cent less. The same is true of wooden cases, etc. The writer asks who was benefited by all this economy? Did it go into the pockets of the Standard Oil Company or was the community benefited in the price of oil? That question can best be answered by facts as in the following table:

| Year. | Price crude oil per gal. at wells. | Price refined oil for export. |
|-------|------------------------------------|-------------------------------|
| 1871 | \$10.52 | \$24.24 |
| 1872 | 9.45 | 23.70 |
| 1873 | 4.12 | 18.21 |
| 1874 | 2.84 | 13.09 |
| 1875 | .96 | 12.00 |
| 1876 | .99 | 12.12 |
| 1877 | .68 | 10.92 |
| 1878 | .76 | 10.87 |
| 1879 | .69 | 8.08 |
| 1880 | .34 | 9.12 |
| 1881 | .30 | 8.55 |
| 1882 | .37 | 7.41 |
| 1883 | .32 | 7.14 |
| 1884 | .39 | 8.28 |
| 1885 | .11 | 7.86 |
| 1886 | .10 | 7.07 |
| 1887 | .10 | 6.75 |

It will be seen by the above that from 1871, the year before the Stand-

ard Oil Co. was organized, to 1878, the year before the pipe line was laid, the price of refined oil fell 13.37 cents per gallon. From the laying of the pipe line to the organization of the trust in 1881, it fell 2.52 cents per gallon, and from the organization of the trust to 1887, it fell 1.30 cents per gallon. Thus through the economies introduced into the production and transportation of petroleum since 1871, the price of refined oil has been reduced 17.49 cents per gallon or 73 per cent, being a saving to the consumers, in the 998,953,011 gallons of refined oil last year alone, of \$174,716,881.

I cannot repeat the unanswerable proof of the writer, that after deducting all other causes which may have contributed to this vast gain to the consumers, there still remains \$85,410,452 as the results of the efforts of the Standard Oil Co., and still we are told that trusts tend to advance prices to consumers. The authorities on these subjects are the reports of the New York Chamber of Commerce and Produce Exchange.

Prof. Dwight says: "In the preceding number of the Quarterly certain aspects of the trusts were considered. It is the object of this paper to consider solely the question of their legality." He asks: 1.—Is the object sought to be accomplished by a trust legal by common law, either by agreement of individual producers not acting as stockholders in corporation, or by agreement of stockholders? 2.—If the end be legal, how far will it be possible for a State Legislature to prohibit it? 3.—What is the power of Congress to legislate on the subject?"

He ably and fully discusses the subject and in closing his article says: "It is not to be credited that we shall commit the supreme folly of resorting to mischievous legislation fully tried and long since abandoned." But I must not prolong my extracts from these able and interesting and convincing articles. I would that your readers could read them all, but I am persuaded that trusts and combinations of capital are the cause of great good, and tend to general prosperity, though no doubt they are not free from incidental evils.

S. N. CASTLE.

A Tragic Record.

Can the record of tragic deaths of men in high places that have occurred in the past quarter century be matched by any previous period? First, the assassination of President Lincoln; then the execution of Maximilian in Mexico; the dethronement and death of Louis Napoleon, in just retribution for Maximilian's fate; suicide (or murder) of Sultan Abdul Aziz and the assassination of his ministers at Constantinople; the assassination of Czar Alexander at St. Petersburg; the death in battle of the ex-Prince Imperial of France; the assassination of President Garfield; the painful end of General Grant; the madness and suicide of King Ludwig of Bavaria; the death of Emperor Frederick III. of Germany, under similar circumstances to that of General Grant; and now the suicide of Crown Prince Rudolf of Austria. It may well be asked in high places with trembling lips, if the gloomy list is to include other names ere long.—Boston Herald.

Advertisements.

MURRAY & LANMAN'S FLORIDA WATER

The Universal Perfume

For the Toilet, the Bath and the Handkerchief.

In view of the attempts made recently by some unscrupulous dealers, to foist upon the public a worthless imitation, bearing the general outward appearance of the genuine, we call attention to the distinguishing marks of the genuine MURRAY & LANMAN'S FLORIDA WATER.

Each bottle of the genuine article bears on its neck the Trade Mark, which appears alongside this notice; and on each leaf of the pamphlet, which is wrapped around it, appears in faint water mark letters the words

LANMAN & KEMP,

NEW YORK.

If either be lacking reject the article as spurious.

DOWNING & SCHMIDT

Wholesale Agents

San Francisco, Cal.



BRISTOL'S SARSAPARILLA SUGAR-COATED PILLS. The Great Purifiers OF THE BLOOD AND LIVER.

Big G has given universal satisfaction in the cure of Gonorrhea and Gleet. I prescribe and feel safe in recommending it to all sufferers. A. J. STONER, M.D., Decatur, Ill. PRICE \$1.00. Sold by Druggists.

BENSON, SMITH & CO., Agents.

61 1241-1242

The Only RUPTURE REMEDY

that will cure is Electricity.

The French Dr. is the only Electric Tonic in the world. Paragon of all Tonic.

H. E. T. Co. 704 So. St. San Francisco, Cal. U.S.A.

Advertisements.



BELL TELEPHONE 50. MUTUAL TELEPHONE 371.

HAWAIIAN WINE COMP'Y,

No. 24 Merchant Street, near Fort Street.

Have on Hand and For Sale a Full Assortment of

All Brands of American Whiskies

Bourbon, Rye and Monongahela,

In Bulk or Case;

Scotch and Irish Whiskey.

In Glass and Stone Jars;

French Brandies,

Very Fine and Very Cheap Qualities, as are wanted;

Gins, in Large and Small Bottles,

(White or Black), also STONE JUGS;

Old Tom Gin,

Best Brand in the Market.

EUROPEAN SHERRIES & PORT!

In Bulk and Case;

All Brands of American Lager Beer,

English Ale and Porter,

German Beer, Etc., Etc.,

In Pints and Quarts.

FINEST BRANDS OF CHAMPAGNES!

In Pints and Quarts;

Bitters, Liqueurs,

Absinthe, Kummel,

Apollinaris Water.

VERY SUPERIOR CALIFORNIA WINES, AS FOLLOWS:

Zinfandel, Malaga, Tokay,

Madeira, Port, Sherry,

Riesling, Hocks, Etc., Etc.

All of which will be Sold at LOW RATES by

FRANK BROWN,

Manager.

1258-11

THE ONLY GENUINE BLOOD PURIFIER.

SARSAPARILLA

Iron Water.

IT REMOVES ALL SKIN DISEASES AND IS A HEALTHFUL AND PLEASANT TONIC.

Sole Manufacturers

CRYSTAL SODA WORKS.

69 HOTEL STREET, HONOLULU.

COUNTRY ORDERS SOLICITED. 1247-11

HAWAIIAN GAZETTE

Printing Establishment

Merchant St., Honolulu.

THE HAWAIIAN GAZETTE CO.,

H. M. WHITNEY, Business Manager.

General Advertisements.

HAMBURG—MACDEBURG Fire Insurance Company.

—OF HAMBURG—

BUILDINGS, MERCHANDISE, FURNITURE and Machinery Insured against Fire on the most favorable terms.

1230 11/2 Agent for the Hawaiian Islands.

A. JAEGER.

ORIENT Insurance Company

OF HARTFORD, CONNECTICUT.

CASH ASSETS JAN 1ST, 1884 : - \$1,411,934.41

Takes risks against Loss or Damage by Fire on Buildings, Merchandise, Machinery and Furniture on favorable terms.

A. JAEGER.

1230 11/2 Agent for the Hawaiian Islands.

GERMAN LLOYD

Marine Insurance Company,

—OF BERLIN—

FORTUNA

General Insurance Company,

—OF BERLIN—

The above Insurance Companies have established a General Agency here, and the undersigned, General Agents, are authorized to take

Risks against the Dangers of the Seas at the Most Reasonable Rates, and on the Most Favorable Terms.

1230 11/2 F. A. SCHAEFER & CO., General Agents.

WASHINGTON

FIRE AND MARINE INSURANCE CO.,

OF BOSTON, MASSACHUSETTS.

Cash Assets Jan. 1st, 1884 : - \$1,595,550.34

Takes Risks against Loss or Damage by Fire on Buildings, Merchandise, Machinery and Furniture on favorable terms.

A. JAEGER.

1230 11/2 Agent for the Hawaiian Islands.

THE LION

FIRE

INSURANCE COMPANY

OF LONDON, ENGLAND

CAPITAL

\$5,000,000.

A. JAEGER, Agent for the Hawaiian Islands.

PRUSSIAN NATIONAL

INSURANCE COMPANY,

—OF STETTIN—

[ESTABLISHED 1845.]

Capital : - Reichsmarks 9,000,000.

The undersigned having been appointed agent of the above Company for the Hawaiian Islands is prepared to accept risks against fire on Buildings, Merchandise, Furniture, and Produce, Sugar Mills, &c., on the most favorable terms. LOSSES PROMPTLY ADJUSTED AND PAYABLE HERE.

H. RIEMENSCHNEIDER,

At Wilder & Co's.

1231 11/2

Northern Assurance Company.

[ESTABLISHED 1836.]

Accumulated Funds : - £3,000,000

The agent of this Company in Honolulu has received instructions to

Reduce the Rates of Life Insurance

In this country to a minimum rate, without any extra premium for residence in the Hawaiian Islands.

Among the principal advantages attaching to a Life Policy in the "NORTH BRITISH" attention is specially drawn to the following:

SURRENDER VALUES of Lapsed Policies are held at the disposal of the Assured for six Years.

IMMEDIATE PAYMENT of Claims, without deduction of discount.

ABOLITION of restrictions on Foreign Travel and Residence.

THEO. H. DAVIES.

1240 9m. AGENT.

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Insurance Agents

—AGENTS FOR THE—

New England Mutual Life Ins. Co.

—OF BOSTON—

Aetna Fire Insurance Company,

—OF HARTFORD—

Union Fire and Marine Ins. Co.

—OF SAN FRANCISCO—

NORTH BRITISH AND MERCANTILE

Insurance Company

—OF—

LONDON AND EDINBURGH

ESTABLISHED 1869.

RESOURCES OF THE COMPANY AS AT DEC. 31, 1886:

1—Authorized Capital.....£3,000,000

2—Subscribed ".....2,500,000

3—Paid up ".....625,000

4—The Fund and Reserves as at 31st

December, 1886.....1,788,112

5—Life and Annuity Funds.....4,435,075

6—Revenue Fire Branch.....1,279,244

7—Revenue Life & Annuity Branches 653,000

ED. HOFFSCHLAGER & CO.,

1237 11/2 Agents for the Hawaiian Islands.

The Liverpool & London & Globe

INSURANCE CO.

ASSETS : - \$31,161,000

NET INCOME : - \$3,000,000

CLAIMS PAID : - \$88,714,000

Have established an agency in Honolulu for the Hawaiian Islands, and the undersigned are prepared to write risks against

FIRE ON BUILDINGS,

MERCHANDISE & DWELLINGS

On favorable terms. Dwelling Risks a Speciality. Detached dwellings and contents insured for a period of two years, for two premiums in advance. Losses promptly adjusted and payable here.

BISHOP & CO.

1250 5c.

General Advertisements.

Boston Board of Underwriters.

AGENTS for the Hawaiian Islands.

1230 11/2 C. BREWER & CO.

Philadelphia Board of Underwriters

AGENTS for the Hawaiian Islands.

1230 11/2 C. BREWER & CO.

HAMBURG BREMEN

Fire Insurance Company.

The undersigned having been appointed Agents of the above Company, are prepared to insure risks against fire on Stone and Brick Buildings, and on Merchandise stored therein, on the most favorable terms. For particulars apply at the office of F. A. SCHAEFER & CO. 1197 11/2

GENERAL INSURANCE COMPANY

For Sea, River & Land Transport

—OF DRESDEN—

Having established an Agency at Honolulu for the Hawaiian Islands, the undersigned General Agents, are authorized to take

Risks against the Dangers of the Seas at the Most Reasonable Rates, and on the Most Favorable Terms.

F. A. SCHAEFER & CO.

12 56 1/2 Agent for the Hawaiian Islands.

Insurance Notice

The Agent for the British Foreign Marine Insurance Company (Limited) has received instructions to Reduce the Rates of Insurance between Honolulu and Ports in the Pacific, and is now prepared to issue Policies at the lowest rates, with a special reduction on freight per steamers.

THEO. H. DAVIES.

1195 11/2 Agent Brit. For. Mar. Ins. Co., Limited

THE

Mutual Life Insurance Company,

—OF NEW YORK—

Assets DEC. 31, 1888 : - \$120,082,153.06

Reliable, Profitable, Prompt and Certain.

Those who desire safe Life Insurance are invited to apply to

S. B. ROSE,

1232 11/2 General Agent Hawaiian Islands.

The Hartford Fire Insurance Co.

—HARTFORD, CONNECTICUT—

(INCORPORATED 1816.)

Total Asst Jan. 1, 1888, \$5,288,643 97

Having established an agency at Honolulu for the Hawaiian Islands, the undersigned is prepared to accept risks against fire on Buildings, Merchandise, Furniture, and Machinery, on the most favorable terms. Losses promptly adjusted and payable here.

C. O. BERGER.

1235 6m. Agent for the Hawaiian Islands

TRANS - - - ATLANTIC

Fire Insurance Company,

—OF HAMBURG—

Capital of the Co. and Reserve, Reichsmarks.....6,000,000

Capital their Re-Insurance Companies 101,650,000

Total.....Reichsmarks 107,650,000

NORTH GERMAN

Fire Insurance Company,

—OF HAMBURG—

Capital of the Co. & Reserve Reichsmarks.....8,300,000

Capital their Re-Insurance Companies 35,000,000

Total.....Reichsmarks 43,300,000

The undersigned, General Agents of the above three companies for the Hawaiian Islands, are prepared to insure Buildings, Furniture, Merchandise and Produce, Machinery, &c., also Sugar and Rice Mills, and vessels in the harbor, against loss or damage by fire, on the most favorable terms.

H. HACKFELD & CO.

1231 11/2

Metropolitan Market

King Street.